

**Before the
Kentucky Public Service Commission**

IN RE: Case No. 2003-00379

AFFIDAVIT OR SUBMISSION OF INFORMATION

Personally appeared before the undersigned officer, duly authorized to administer oaths, Margaret Ring, who, after being duly sworn, testified and stated as follows:

1. My name is Margaret Ring, and I am over 18 years old and am of sound mind. I am employed as Director of Regulatory and Governmental Affairs for Network Telephone Corporation ("Network Telephone"). My business address is 3300 N. Pace Boulevard, Pensacola, Florida 32505. I have been employed by Network Telephone in its Regulatory Department since 1999.
2. I have been asked by CompSouth to provide some basic information about Network Telephone.
3. Network Telephone is headquartered in Florida and employs a staff of approximately 400 employees at the company's headquarters in Pensacola, Florida. Network Telephone has regional sales offices throughout the southeast and offers service in eight states in the BellSouth region. The company is a provider of voice over broadband service to the small business market. Information on the company's products and services can be obtained via its website at www.networktelephone.net.
4. I have been told by CompSouth that Network Telephone has been named by BellSouth as being a Self Provider of analog POTS services using Network Telephone's own local circuit switch in Kentucky to serve mass market customers.
5. In preparation for filing this Affidavit, I have been told by CompSouth that the FCC has defined the enterprise customers and the enterprise market, with respect to switching, as follows;

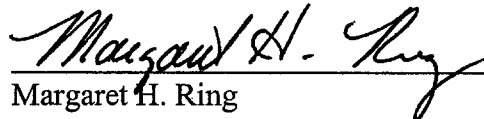
Enterprise customers:

- are typically medium or large business customers with high demand for a variety of sophisticated telecommunications services that use loops with DS1 capacity and above;
 - are characterized by relatively intense, often data centric, demand for telecommunications services sufficient to justify service via high-capacity loops at the DS1 capacity and above;
 - purchase extensive local services resulting in significant revenues to the service provider, allowing a greater opportunity to recover any non-recurring costs associated with the 'set-up' of the loop and switch facilities necessary to provide service;
 - generate comparably greater revenues than residential customers sufficient to justify the sunk and fixed costs of installing the switch; and
 - are more willing to sign annual or term commitments.
6. In preparation for filing this Affidavit, I have been told by CompSouth that the FCC has defined mass market customers and the mass market, with respect to switching, as follows;

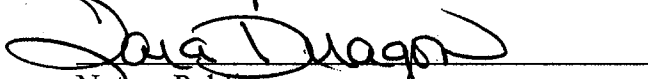
Mass market customers:

- are residential and very small business customers;
 - do not require high bandwidth digital connectivity (i.e. DS1 and above) unlike enterprise customers;
 - the accounts tend to be smaller, lower revenue accounts characterized by low margins and are often serviced on a month to month basis and not pursuant to annual contracts;
 - are consumers of analog plain old telephone service or "POTS";
 - purchase a limited number of POTs lines can only economically be served via analog loops;
 - move freely from carrier to carrier which can cause a significant amount of churn and;
 - have come to expect the ability to change local service providers in a seamless and rapid manner.
7. Based on these definitions, I can state that Network Telephone should not be considered a Self Provider of analog Plain Old Telephone Service ("POTS") to the mass market utilizing its switch. Network Telephone's principal business is to actively market and provide bundled voice and data services to the small to medium size business customers within its limited marketing footprint. These bundled voice and data services are provided utilizing digital connectivity via unbundled DS1 loops and ADSL-compatible/UDC network elements. In addition, Network Telephone does not actively provide analog POTS services to residential customers from its switch in Kentucky.

8. The only residential customers that Network Telephone serves in Kentucky today are a handful of "legacy" customers or employees being served either via resale or UNE-P or not via Network Telephone's switch.
9. The basic methods by which Network Telephone serves the small and medium business customer's bundled voice and data needs in Kentucky are via an unbundled DS1 loop, a 2 wire ADSL-compatible loop, or a UDC loop, each provisioned to the Network Telephone switch. With any of these configurations, Network Telephone is required to install equipment at the customer's location and to make a connection at its collocated DSLAM in order to provide the customer with voice service.
10. When VoDSL service is provided over an ADSL-compatible loop, the provisioning is limited by even more stringent distance and loop quality issues than are encountered in providing retail DSL services. The loop must be ADSL capable, less than 18,000 feet from the DSLAM, and reasonably clean of bridged tap. Network Telephone currently tries to limit its ADSL loop length to 13,500 feet from the DSLAM to retain service quality.
11. As a result of these limitations, Network Telephone does not provide its facility-based service outside of a limited footprint. Occasionally, Network Telephone will have a request from a business customer for service at a location outside of the Network Telephone facilities-based footprint. In that instance, Network Telephone will serve that business customer via UNE-P.
12. Approximately 45% of the loops provisioned to Network Telephone's Kentucky switch are DS1 loops and the remaining 55% are ADSL-capable or UDC loops. These loops provide customers with the Network Telephone's bundled voice and data services. There would be no instance today where Network Telephone would provision an analog-grade loop such as an SL1 or SL2 to provide a small business customer with analog POTS service.


Margaret H. Ring

Sworn to and subscribed before me, this 20th day of
February, 2004.


Notary Public
My commission expires: 8/28/07

